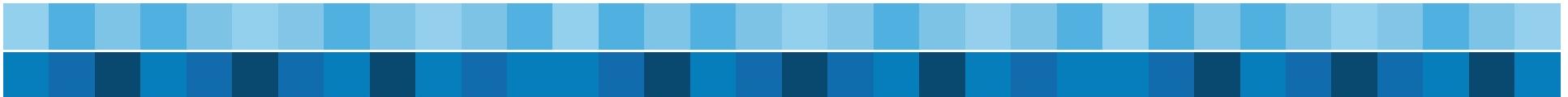




countycare



# CountyCare Overview & Infrastructure Transition

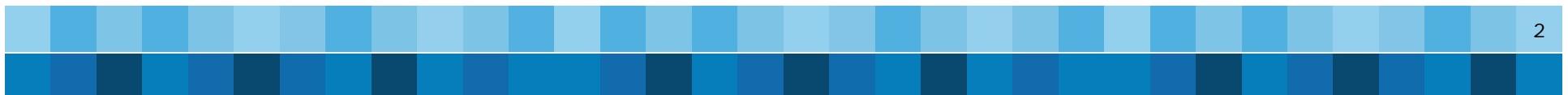
*Prepared for: CCHHS Board of Directors, 3/28/2014*

Steven Glass, Executive Director of Managed Care  
312.864.1147 | [sglass@cookcountyhhs.org](mailto:sglass@cookcountyhhs.org)

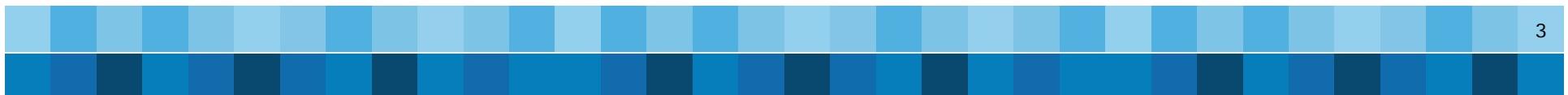
# Today

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- CountyCare
- Financial Impact @ CCHHS
- Infrastructure & Benefits Management
- Contract Expense Overview
- Summary



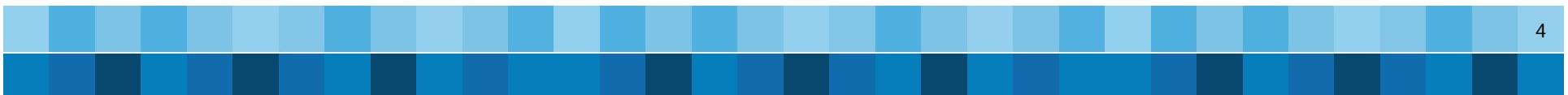
# CountyCare





# CountyCare Scope

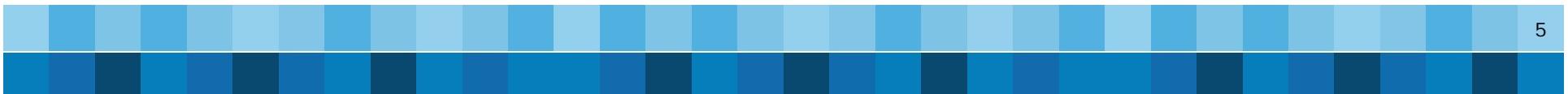
- Key part of CCHHS' “4Ps”
  1. Provider
  2. Plan
  3. Payer
  4. Population Management
- Health insurance for approved members
- Access to Medicaid-approved benefits through geographically accessible network



# CountyCare Scope

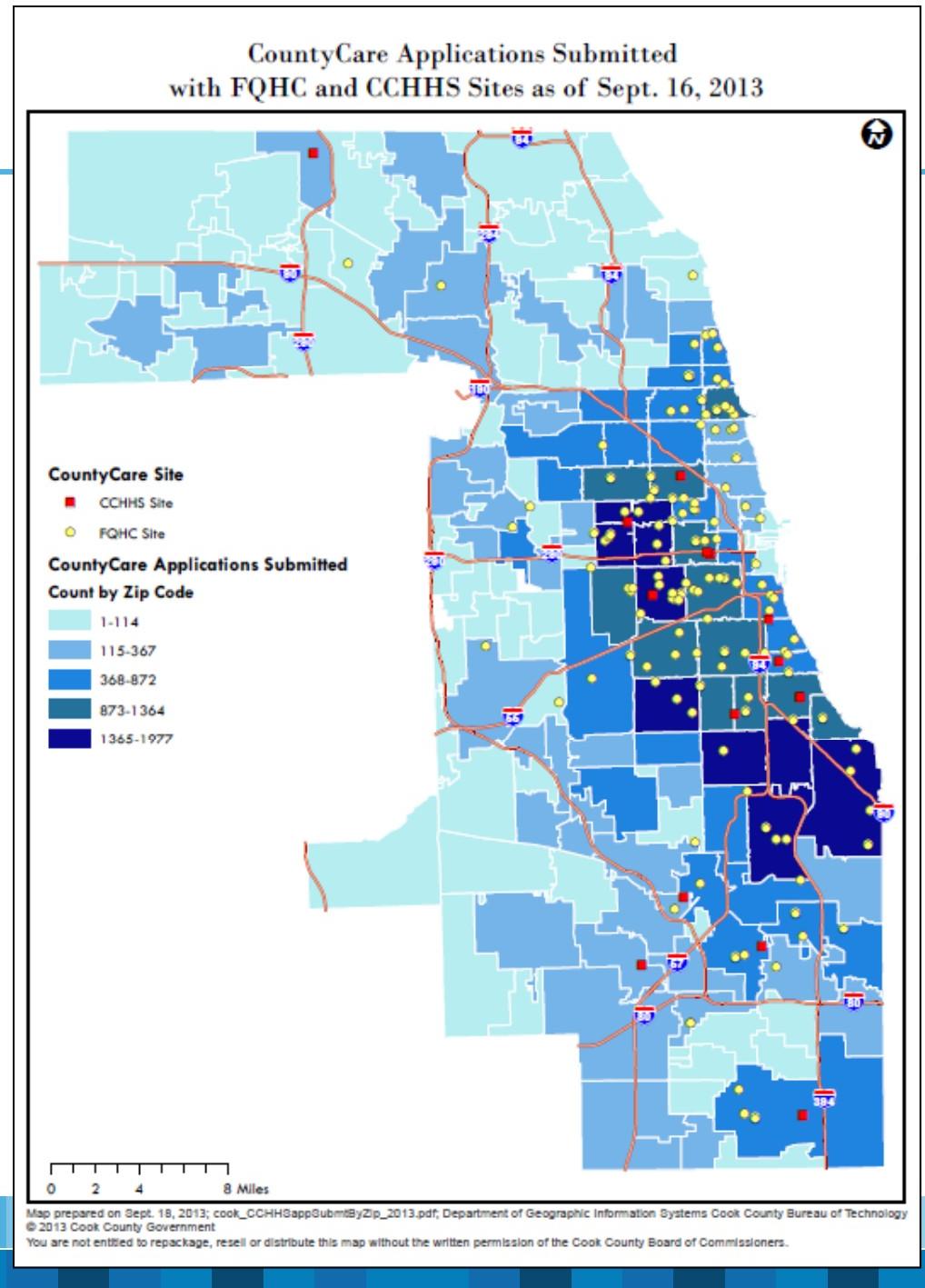


- Vision: One Plan, Multiple Products allowing members to stay with provider and plan
  - Medicaid: Affordable Care Act (ACA) Adults, Family Health Plans, Seniors & Persons with Disabilities (SPDs)
  - Private: Marketplace, Individuals, Small Businesses
- No jobs lost or supplanted within CCHHS when CountyCare was implemented
- CountyCare *requires* partnering with non-CCHHS providers to meet members needs across a broad geography



# CountyCare

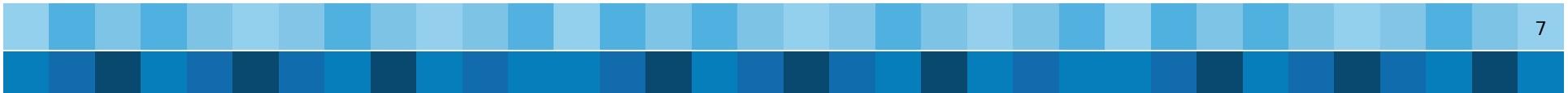
- CMS 1115 Waiver Given to IL Medicaid
  - Early access to Medicaid health insurance for ACA-eligible persons
  - Letter dated 10/26/2012; Operational 2/1/2013; Two extensions until 6/30/2014
- Safety-net Primary Care Provider Network
  - CCHHS & Federally Qualified Health Centers (FQHCs) primary care network (138 sites)
  - 38 Hospitals; 6 Academic Medical Centers
  - Dozens of Ancillary providers



# CountyCare Today



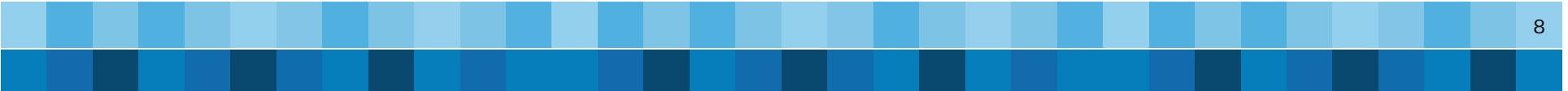
- **Applications** (data as of 3/25/2014)
  - 147,349 applications initiated
  - 118,851 applications submitted
  - 87,325 applications approved
- **Payment Processing**  
(data as of 2/28/2014; excludes pharmacy and behavioral health)
  - 567,784 claims processed
    - 266,543 (47%) from CCHHS
  - \$43,935,711 actual payments made to non-CCHHS providers on claims for members to date



# Next Phase of CountyCare



- In order for CountyCare to continue, we must establish ourselves as a County Managed Care Community Network (MCCN)
  - Under contract to State of Illinois, Department of Healthcare and Family Services (HFS)
  - Definitively establishes one of the “Ps” = Plan
  - More requirements than Waiver
  - Requires more infrastructure than Waiver





# Phases of CountyCare

## 1115 Waiver Demonstration Project

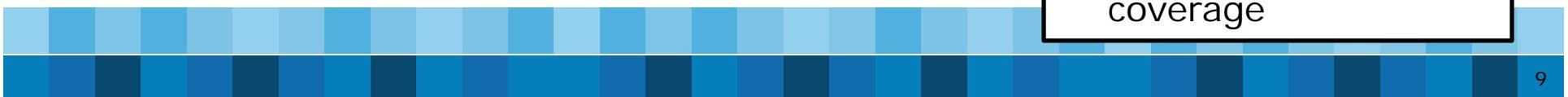
- Until 6/30/2014
- IL Medicaid Program operated by CCHHS
- Governed by CMS Waiver granted to State of Illinois

## Medicaid MCCN Plan

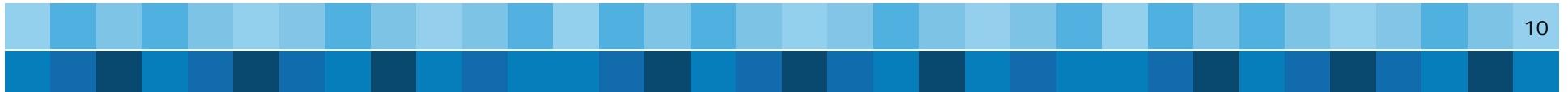
- Beginning 7/1/2014
- IL Medicaid Health Plan operated by CCHHS
- Governed by MCCN Contract with State of Illinois
- ACA Adults & Other Medicaid Populations

## "Mature" Managed Care Health Plan

- 2015 and beyond
- Multiple products in Medicaid
- ACA Health Insurance Exchange, and/or other Commercial Products
- Health Insurance Exchange consistent with continuum of coverage



# CountyCare Financial Impact @ CCHHS





# PMPM Risk Scenarios

CCHHS assumes full-risk for payment of managed care services provided to CountyCare members.

**If aggregate PMPM spending  
> \$632.48**

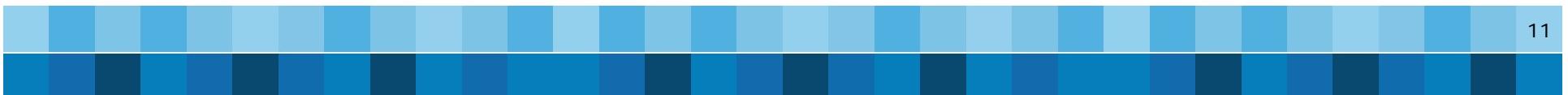
- Amount allocated to previously unfunded CCHHS-provider services is not maximized.

**If aggregate PMPM spending  
< \$632.48**

- Amount allocated to previously unfunded CCHHS-provider services is maximized.

*In either case, CCHHS is now receiving compensation for care provided to CountyCare members who we previously treated without reimbursement.*

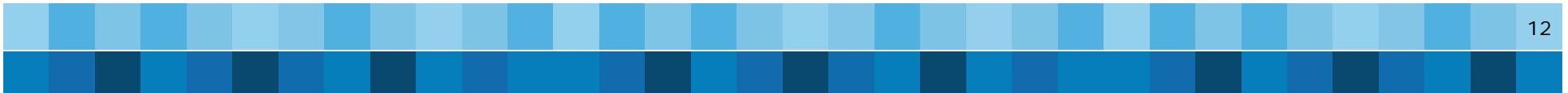
*Consistent with our mission, we are also expanding access to care through our network partners significantly beyond that which CCHHS could have provided alone.*



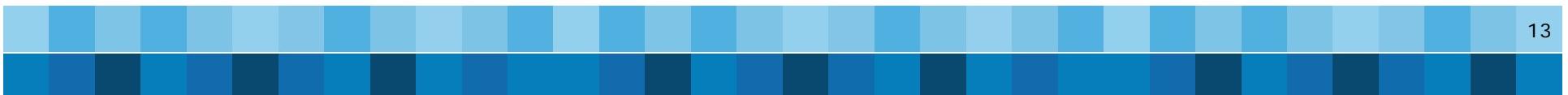
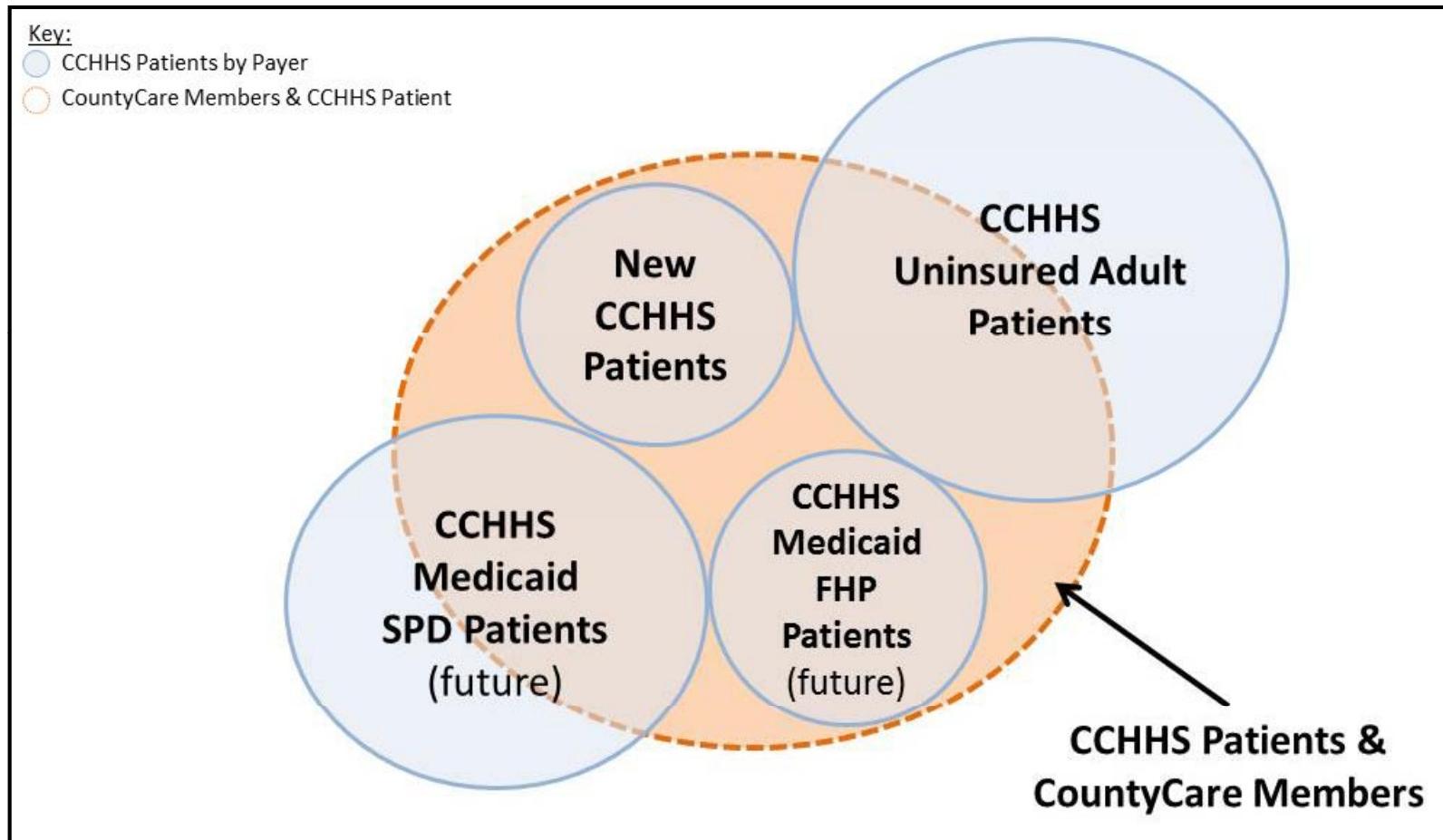
# Determining Financial Risk



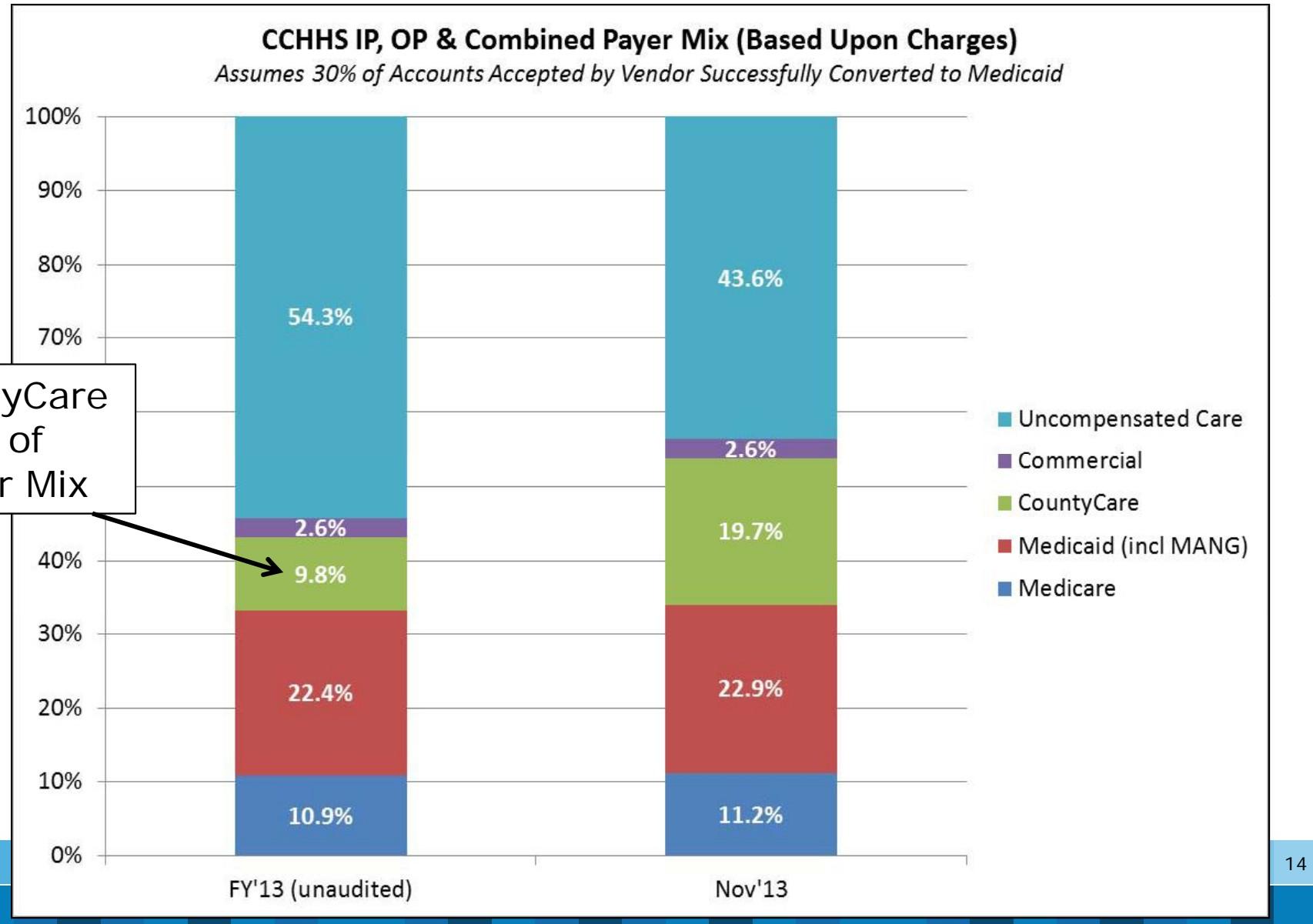
- “Trifecta” of reasons why Incurred But Not Recorded (IBNR) difficult to calculate:
  - 1) Delays in getting applications processed (members not yet known)
  - 2) Rapid month-to-month growth in membership (unstable utilization; 5,000 added in March alone)
  - 3) 12 Months to file claim for payment
- Aggressively working to develop IBNR



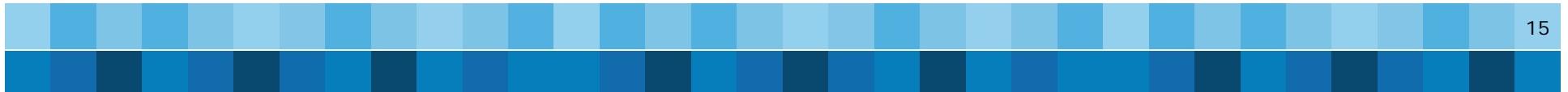
# CountyCare Members @ CCHHS



# CountyCare Payer Mix Impact



# CountyCare Infrastructure & Benefits Management

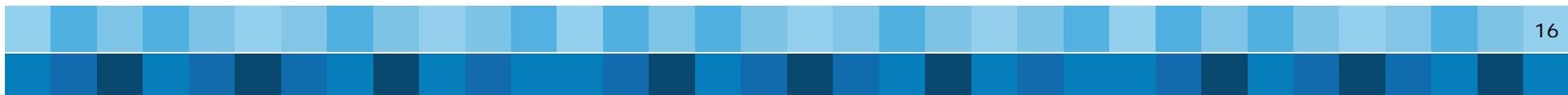


# Current State

*for dates of services prior to 6/1/2014*



	Vendor	Function(s)
TPA	Automated Health Systems	<ul style="list-style-type: none"><li>• Clinical Care Coordination, Utilization &amp; Disease Management</li><li>• Claims Processing &amp; Payment</li><li>• Member &amp; Provider Services</li><li>• Call Center &amp; Outreach</li></ul>
Behavioral Health Network	PsiH	<ul style="list-style-type: none"><li>• At-Risk Behavioral Health &amp; Substance Abuse Benefits Management</li></ul>
PBM	catamaran	<ul style="list-style-type: none"><li>• Pharmacy Benefits Management, Including Claims Processing &amp; Payment</li></ul>
Connectivity & Analytics	MEDICAL HOME NETWORK Building Partnerships for Better Health	<ul style="list-style-type: none"><li>• Real-time ED and Inpatient Discharge Notification</li><li>• Health Plan Analytics</li></ul>



# Proposed State

*for dates of services beginning 6/1/2014*

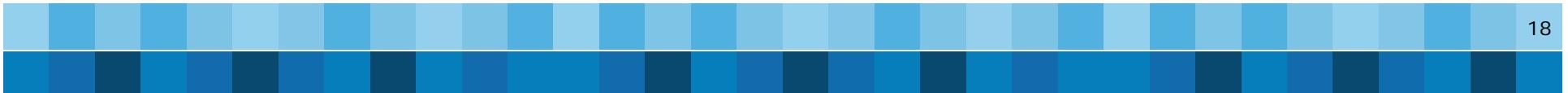


	Vendor	Function(s)
TPA	 <b>IlliniCare</b> <i>Health Plan</i>	<ul style="list-style-type: none"> <li>Clinical Care Coordination, Utilization &amp; Disease Management</li> <li>Claims Processing &amp; Payment</li> <li>Member &amp; Provider Services</li> </ul>
Behavioral Health Network		<ul style="list-style-type: none"> <li>At-Risk Behavioral Health &amp; Substance Abuse Treatment Services</li> </ul>
PBM		<ul style="list-style-type: none"> <li>Pharmacy Benefits Management, Including Claims Processing &amp; Payment</li> </ul>
Optometry		<ul style="list-style-type: none"> <li>Optometry is a new Medicaid benefit as of 1/1/2014.</li> <li>At-risk services/network provided by TPA.</li> </ul>
Connectivity & Analytics	 MEDICAL HOME NETWORK <small>Building Partnerships for Better Health</small>	<ul style="list-style-type: none"> <li>Real-time ED and Inpatient Discharge Notification</li> <li>Health Plan Analytics</li> </ul>
Care Coordination	Anticipated MHN ACO	<ul style="list-style-type: none"> <li>LOI Framework for future contract</li> <li>Builds upon MHN partnership to integrate care coordination in provider practices.</li> </ul>

# “MHN ACO” Letter Of Intent

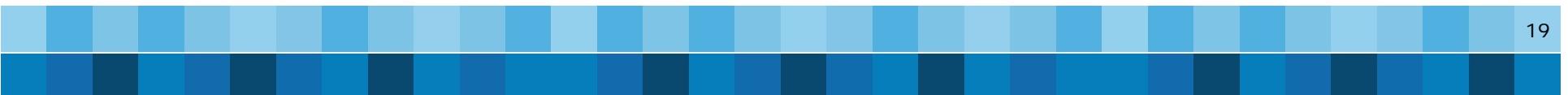


- Provided for informational purposes only.
- CCHHS and MHN have established a Letter of Intent (LOI) establishing the principles and framework for a future contract.
- Principles establish structural relationship between organizations and defines initial financial terms.
- MHN providers have until 5/15/2014 to form new entity.



# IlliniCare Health Plan

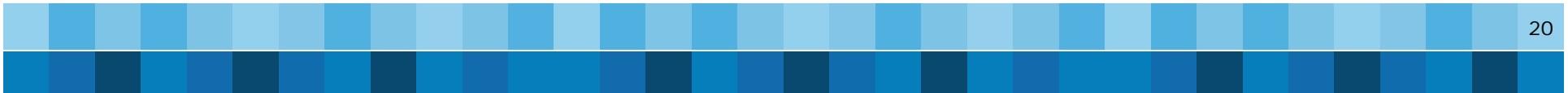
- Wholly owned subsidiary of Centene Corporation (Fortune 300 company)
  - 2.4 million lives covered nationally
  - Exclusively government-sponsored plans
- Vertically integrated service delivery and information management
  - Capacity to leverage additional networks should benefits expand.



# IlliniCare Contract Overview



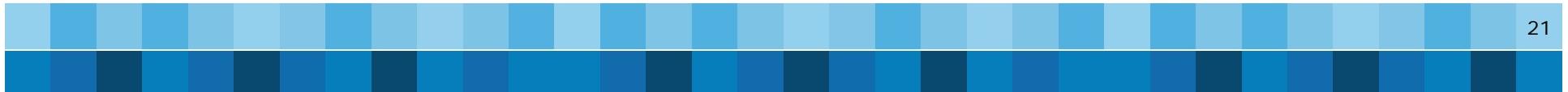
- Obligates IlliniCare to satisfy the requirements of the proposed County MCCN.
- Provides managed care expertise and services as well as business support for the operations of CountyCare.
- Provides pharmacy, behavioral health and optometry benefits management services (through subcontracts).





# Other Key Contract Terms

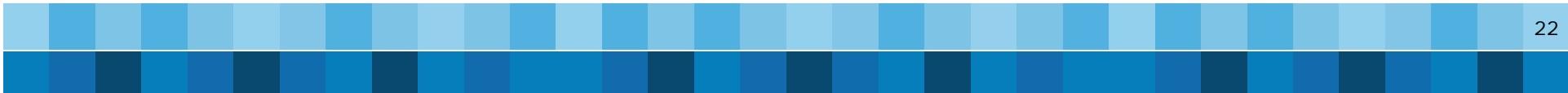
- MBE WBE Compliance (responsive)
- 3-day Termination for Convenience
- Pass Site Readiness Review
- 2% performance withhold
- Flexibly to accommodate adding Medicaid FHP and SPD populations



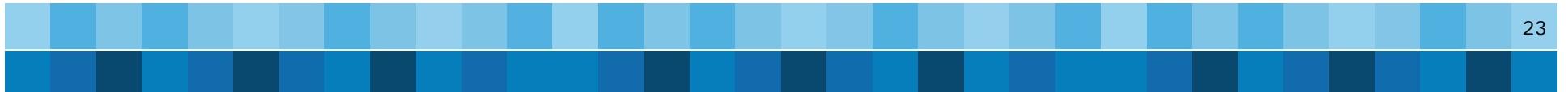
# Contract Management Approach



- Report Key Performance Indicators (KPIs) as appropriate to the CCHHS Board, and Finance, Quality and Patient Safety, and Audit Committees
- Joint working committees with CCHHS oversight
- Monitor & manage implementation plan targets
- Review monthly claims histories
- Review monthly utilization reports in all categories
- Conduct weekly operations meetings



# IlliniCare Contract Expense Overview



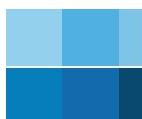
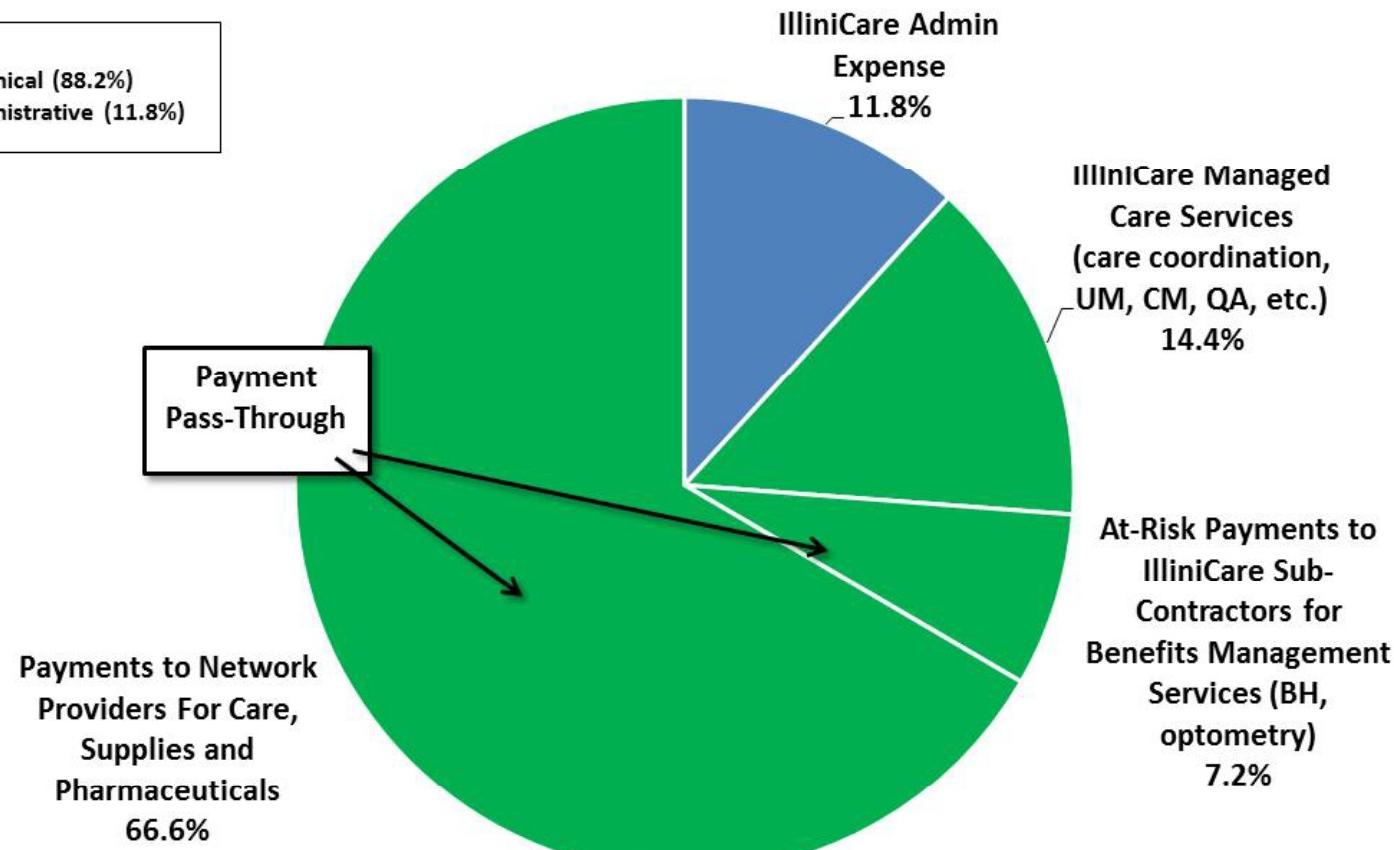
# Expenses by Category

All costs assume 115,000 member lives



**88.2% Clinical    11.8% Administrative**

KEY:  
Green = Clinical (88.2%)  
Blue = Administrative (11.8%)

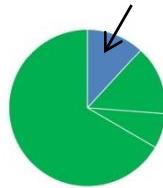


# Admin & Managed Care Services



## Administrative Services

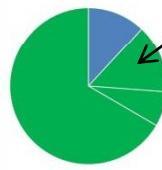
- Claims adjudication
- Processing and payment
- Financial reporting & support
- Provider and member services
- Provider and member hotline
- <http://www.countycare.com> web site hosting and maintenance as required by MCCN.



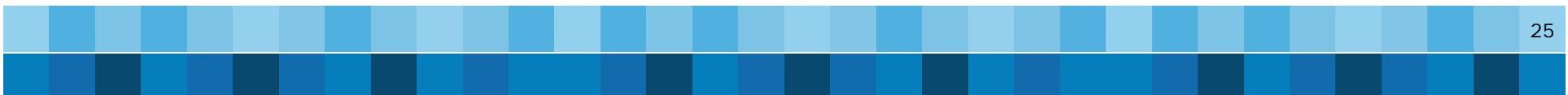
*These and similar administrative services total **11.8%** of the total not-to-exceed contract amount.*

## Managed Care Services

- Care coordination and case management
- Nurse hotline
- Quality assurance
- Utilization management



*These and similar managed care functions total **14.4%** of the total not-to-exceed contract amount.*



# Benefits Management Services



## At-Risk Behavioral Health Benefits Management (Cenpatico)

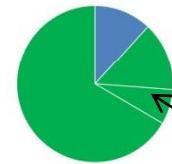
- Contracted network of behavioral health providers to whom CountyCare members can be referred for treatment.
- These costs represent **5.8%** of the total not-to-exceed amount.

## At-Risk Optical Benefits Management (OptiCare)

- Optometry added as new Illinois Medicaid 1/1/2014
- Contracted network of optical providers to whom CountyCare members can be referred for treatment.
- These costs represent **1.4%** of the total not-to-exceed amount.

## Pharmacy Benefits Management (US Scripts)

- Contracted network of pharmacies, including CCHHS pharmacies
- 1.4% of the total not-to-exceed contract amount will be paid as pharmacy administrative fees and included in 11.2% Admin Total.
- Cost of pharmaceuticals are included in 66.6% of network provider costs.

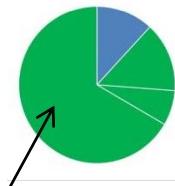


*Combined, these at-risk services total **7.2%** of the total not-to-exceed contract amount.*

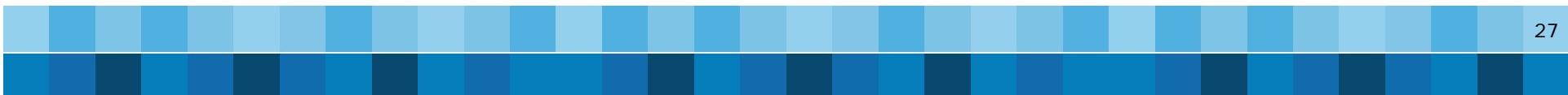
# Care, Supplies & Pharmaceuticals



- Claims Adjudication & Payments of all claims for care provided to members
- Pass-through payments to providers for approved care, supplies and pharmaceuticals provided to CountyCare members
- Providers have 12 months to file claims.
- No cash exchanged between IlliniCare and CCHHS for services provided by CCHHS.

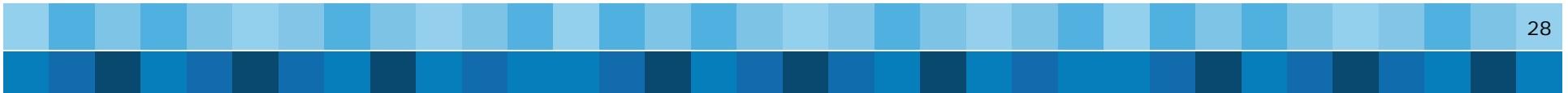


*This function alone totals **66.6%**  
(51.2% clinical services + 15.4%  
pharmaceuticals) of the not-to-exceed  
contract amount.*

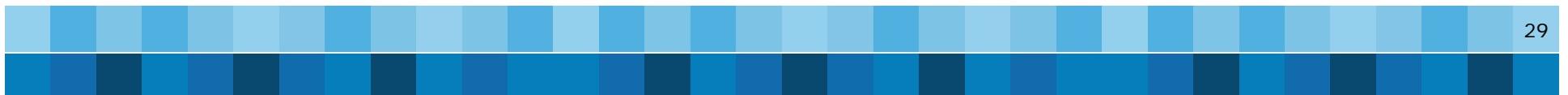


# Key Pricing Factors

- Pricing comparable to existing vendors, CCHHS budget and HFS expectations.
- IlliniCare & subcontractor payments are both fixed (per category) and variable (based on membership)
- Pass-through payments to providers of care are 100% variable based on member utilization (66.6% of total contract cost)
- No guarantee of cost except for at-risk subcontracts



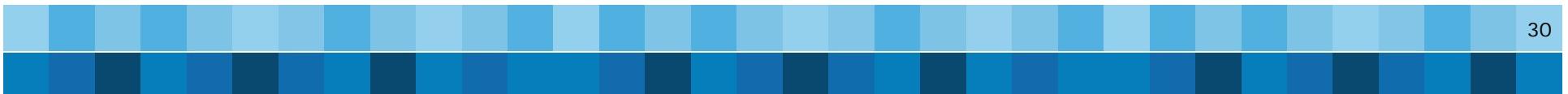
# Summary



# Summary

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- CountyCare (“Plan”) is a key component of “4Ps” vision
- CountyCare is transition from a demonstration project to Medicaid managed care health plan 7/1/2014
  - More requirements = Need for more infrastructure
- PMPM risk limited to extent external payments exceed premium



# Summary

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- CCHHS and MHN ACO Letter of Intent provides framework for future partnership
- Current vendor requests for extensions and increases needed for continuity of services through transition
- Seeking authority to negotiate & execute contract with IlliniCare
  - 88.2% clinical/11.8% administrative
  - 66.6% is pass-through for care, supplies and pharmaceuticals

